
Continuing Steps to Acquire and Enable Resources to Meet Ontario's Growing Electricity Needs

July 14, 2022

Purpose

During today's session, we will provide an update to Indigenous communities on the IESO's Long-Term RFP (LT1 RFP) and continue to seek input on the procurement process. Today's session will include:

- An update on feedback we have received so far
- An overview of what communities can expect over the course of the procurement process
- A discussion to seek input on areas of the RFP/contract design that impact communities and on information that communities may need from the IESO



Feedback from the April 12 and 19, 2022 LT1 RFP Information Sessions

What We've Heard So Far

- Tight timeframes will not allow for Indigenous participation or will make it very difficult
- It is preferable that proponents have prior experience working with Indigenous communities
- Participants wrote in favour of Indigenous Support Resolution concept and points for projects that have Indigenous participation
- IESO should consider projects that were previously cancelled
- Indigenous communities need funding to participate in procurements and form industry partnerships

What's Changed?

- The IESO is continuing to consider options to encourage meaningful engagement and/or partnership formation with Indigenous communities as part of the final Expedited Process design, recognizing the tight timelines in the Expedited Process.
- The IESO continues to develop the Indigenous participation component of the LT1 RFP and notes the support voiced for the mechanisms that were proposed. Further information will be shared later in this presentation.

Updates to Locational Considerations (1)

- The IESO developed a detailed guide, [Locational Considerations for New Resources](#)
- The guide describes preferred locations for new resources and circuits that should be avoided for connecting resource projects.
- The location of the new resources will support regional economic growth in areas such as Southwestern Ontario, which have seen significant growth in demand, while also responding to the retirement of the Pickering nuclear plant.

Updates to Locational Considerations (2)

Preferred areas for locating new resources include:

- Kingsville-Leamington area
- Municipality of Chatham-Kent to the City of Windsor
- Windsor area
- East of Flow East Towards Toronto (FETT) interface, west of Cherrywood Transmission Station (roughly from Oakville to Pickering)

Evaluations in the deliverability test process will indicate whether a connection to a specific circuit at a specific location with a specific amount of power injection will pass the test.



Recap/Review of the Procurement Designs and Proposed Indigenous Participation Considerations

Proposed Mandatory Requirements

Site Control and Permitting	<ul style="list-style-type: none">• Proposal is able to demonstrate site access via site access declaration and associated documentation
Community Engagement	<ul style="list-style-type: none">• Proponent must develop and post a Community Engagement Plan• Must hold 1 public meeting with each local community in which the project is proposed to be located
Indigenous/ Municipal Support	<ul style="list-style-type: none">• Proponent must obtain a Municipal Council Support Resolution if the proposed project is to be located on land under municipal jurisdiction• Proponent must obtain an Indigenous Community Support Resolution if the proposed project is to be located "on-reserve"• Proponent must inform Indigenous communities whose Aboriginal and/or treaty rights may be impacted• Successful proponents in the LT1 RFP will be required to re-confirm support after contract execution <p><i>Note: Given the condensed timing of the Expedited Process, as well as the upcoming Ontario municipal elections, the IESO recognizes that it will be challenging to meet the requirements outlined for the LT1 RFP. The IESO is still contemplating requiring successful proponents to obtain applicable support Resolutions after contract execution</i></p>

Expedited Process

Due to the need for timely contracting for new resources, the following participation mechanisms have been proposed for the Expedited Process:

- Mandatory Indigenous Support Resolution for projects that are on-reserve

The IESO recognizes that the timelines for engagement in this part of the procurement are short and are exploring additional potential Indigenous participation mechanisms. Further information will be provided in subsequent engagements.

LT1 RFP Rated Criteria

The LT1 RFP will utilize rated criteria to evaluate proposals by assigning additional points to high-value attributes. The initial rated criteria categories are outlined below. The eventual categories and rated criteria weightings will be informed by engagement with municipalities, Indigenous communities and sector participants.

Location

There are areas of the province (i.e. West and East of FETT) where resources are most needed

Duration of Service

Additional points to projects able to offer > 4+ consecutive hours of energy

Indigenous Participation

Projects able to demonstrate Indigenous participation (economic interest) will attain rated criteria points

LT1 RFP Rated Criteria – Indigenous Participation

Applicable to LT1 RFP only:

Proposed Facilities would be awarded applicable Rated Criteria Points for their level of Indigenous participation, evaluated based on economic interest (this Rated Criteria does not apply to the Expedited Process). Proposed criteria below:

Value	Indigenous Community Participation
High	An Indigenous Community has 50% or more economic interest in the project
Medium	An Indigenous Community has 25% or more, but less than 50% economic interest in the project
Low	An Indigenous Community has 10% or more, but less than 25% economic interest in the project
None	All other Proposed Facilities

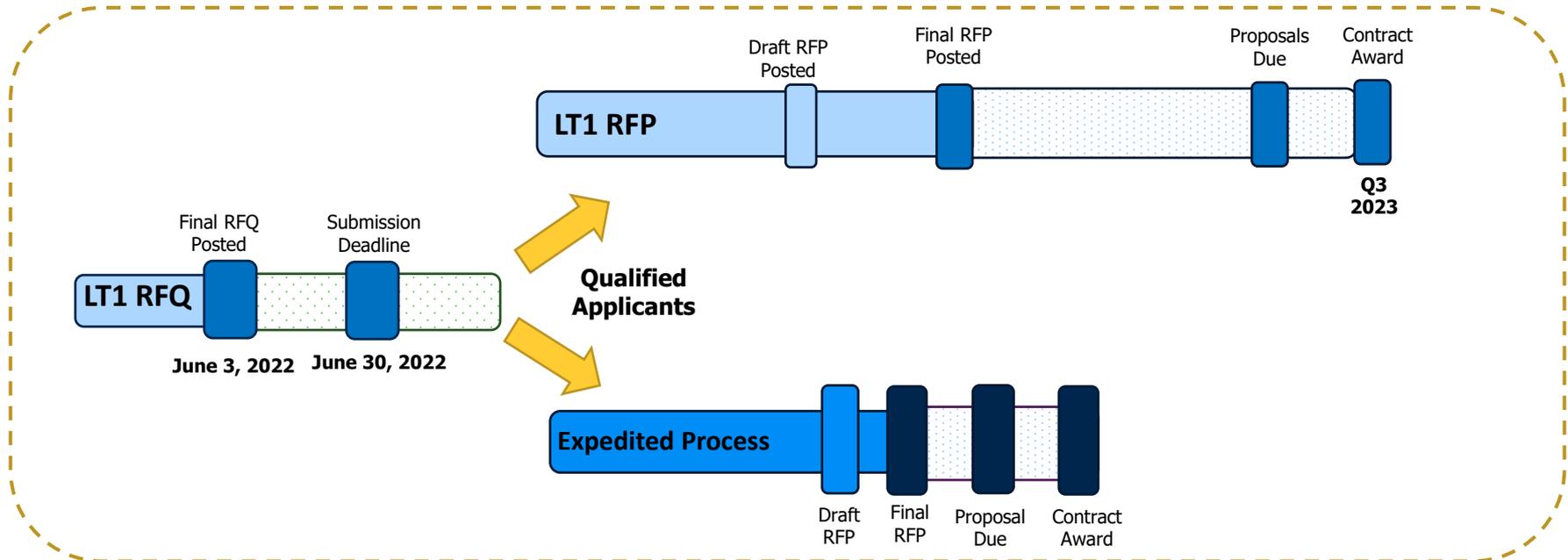
Locationality of Indigenous Participation

- The IESO has received feedback that location of Indigenous participation is also an important factor to consider *[For example: should Indigenous participation be linked to nations within geographic proximity of the project?]*
- The IESO has proposed incentivizing Indigenous participation through rated criteria in the LT1 RFP, and continues to consider incentive mechanisms for post-contract award in the Expedited Process



What to Expect

Long-Term Procurement Process Milestones



*Timelines are illustrative. RFQ Evaluation is currently ongoing.

Community and Proponent Touchpoints

As the LT1 RFP and Expedited Process are launched and as they progress, communities can expect several touchpoints with proponents throughout the process.

Procurement Milestones	Potential Touchpoints
Qualified Applicants Announced to Final RFP Documents Issued	Proponents qualified through the RFQ process may choose to conduct early outreach to communities to build awareness of potential project(s), form relationships where applicable and prepare for the RFP based on draft RFP requirements. A list of Qualified Applicants will be made available publicly to inform communities and other interested parties who they may choose to engage with.
Final RFP Documents Issued to Proposal Submission (Procurement Open Period)	During the Procurement Open Period, communities can expect intensive outreach and communication from proponents. This may take the form of mandatory informing of communities, requests for Indigenous Community Support Resolution or outreach for formal partnership formation (i.e., economic interest).

Community and Proponent Touchpoints

As the LT1 RFP and Expedited Process are launched and as they progress, communities can expect several touchpoints with proponents throughout the process.

Time Period	Potential Touchpoints
Contract Execution to Commercial Operation	Successful (contracted) proponents will engage with communities as they develop their projects and seek all associated permits and approvals, as well as Duty to Consult requirements. Once facilities are built, proponents will continue to engage with communities over the life of their facilities.



Funding for Participation

Indigenous Energy Support Programs

- The IESO currently has four funding programs through the Indigenous [Energy Support Programs](#) that promote capacity building
 - Community Energy Champion Program (CEC)
 - Indigenous Community Energy Plan Program (ICEP)
 - Education and Capacity Building Program (ECB)
 - Indigenous Energy Projects Program (IEP)
- The application window has closed however the programs will be redesigned and launched with new funding opportunities in Q2/Q3 2023 – to stay apprised in the redesign, and be made aware of engagement opportunities, please email IndigenousRelations@ieso.ca

Federal Support Programs

The Federal Government has a number of programs that are available to support Indigenous communities participate in the energy sector:

- [Indigenous Capacity Support Program](#)
- [Indigenous Economic Development Fund](#)
- [Indigenous Community Capital Grants Program](#)
- [New Relationship Fund](#)

Indigenous Funding Opportunities

- The IESO has heard through feedback that funding mechanisms to support Indigenous participation in projects is important, beyond the existing incentives being proposed through the procurement processes
- While the IESO has limited mechanisms to support equity participation beyond its Indigenous Energy Support Programs, the IESO proposes arranging information sessions with the [Canada Infrastructure Bank \(CIB\)](#) and [Aboriginal Loan Guarantee Program \(ALGP\)](#) to explain additional available funding opportunities
- More information on these sessions will be shared with communities shortly



Discussion

Today's Discussion Questions

Based on what you have heard today, and the information available on the dedicated community engagement webpage:

- 1) What are your thoughts on the Indigenous project participation concepts shared today?
- 2) What future information is important for you to receive or provide throughout the engagement of this procurement process?
- 3) What other engagement or outreach activities should be considered by the IESO?

Written Feedback Questions

- Should Indigenous communities that are located near projects be provided with certain kinds of Indigenous participation incentives versus communities that are not located near projects?
 - If so, how should the Indigenous participation mechanisms distinguish between local and non-local communities?
- What are your thoughts on the Indigenous project participation concepts that were shared in the presentation? What additional considerations should be considered?
- What additional information do communities require to effectively participate in the LT1 RFP?



Indigenous Engagement: Next Steps

Next Steps

- Feedback on the information shared today can be submitted via feedback form by **August 5, 2022** to engagement@ieso.ca
- We will continue to provide information and engage on these topics and new items to help inform the procurement process.
- Stay in touch by visiting the [community engagement page](#).

Thank you for joining us for the Indigenous Community Discussion Group.

Thank You

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